

INTERIM REPORT 2013

1 JANUARY

30 SEPTEMBER

VOLVOFINANS BANK AB



MESSAGE FROM THE PRESIDENT

Many European countries remain in a state of sluggish economic recovery. Their markets have, at best, emerged from the depths of the recession and are able to register cautious positive development.

Despite the world around us, the economy in Sweden has shown stable development – and in the right direction. The conditions are good for a more obvious improvement in market conditions next year. So far this year, the Volvo dealerships as a whole has experienced an improved business climate, which has also been evident in an improvement in profits.

The increase in activity in the Swedish economy is reflected in the number of newly registered cars during the third quarter. The decline compared with the previous year has now shrunk from just about 10% at the end of the first half to just over 5%. At the end of September, a total of 193,095 cars had been registered. During the period, Volvo Car Corporation strengthened its share of the market to 19% on a declining overall market. The market shares of Renault and Ford have fallen to 4.2% and 4.4%, respectively.

As far as the heavy trucks (>16 tonnes) are concerned, the new model range from AB Volvo has been very well received. With the old models, too, selling out, the order books at the Volvo dealerships are completely full. Since the start of the year, Volvo has increased its market share by approx. 3 percentage points, to 43.2%. However, the total market, measured in terms of registrations, has fallen by 17% compared with the previous year.

The service market – defined as the dealerships' aftermarket with sales of garage services, spare parts, tyres and accessories – that is so important to the Volvo dealerships, and the Volvo Card, have remained stable during the period. This also includes fuel sales at the Volvo dealerships' own filling stations, which offer the lowest price with the Volvo Card. Fuel volumes have fallen somewhat over the year.

Overall, a good business climate and increased sales among our partners have laid the foundation for a healthy profit for Volvofinans Bank. Income for the nine months of the year was SEK 214.5 million, which is a 13% increase on the SEK 190 million for the same period in the previous year. The increase in profit can be explained by an increase in net interest, generated by improvements in lending margins as well as something of a decrease in borrowing costs, as well as lower costs for the exchange of bonds.

Lending volumes have fallen by SEK 0.6 billion to SEK 24.1 billion during the period. The drop is largely due to tougher competition in the field of truck financing, as well as to a fall in the volume of credit

card credit, which in turn has been caused by lower fuel sales and the sale of debt collection stock. Our leasing offer is also being greatly expanded, in part due to increased interest in private leasing, and will provide a higher volume of leasing items.

Volvofinans Bank's strong balance sheet will not only provide stamina and capacity in the face of future obligations but also engender trust from investors on the capital market. Public deposits account for 60% of the bank's total financing requirements and have made us less dependent on market borrowing. Our high-quality capital base of more than SEK 3 billion gives a core capital ratio of over 19%. The liquidity reserve was SEK 4.3 billion at the end of the quarter and accounts for 51% of the company's outstanding market borrowing.

Our unique business model, in which the Volvo dealerships bear the credit risk, guarantees low credit losses. Total credit losses after nine months were SEK 17.0 million (SEK 16.0 million), of which the entire sum of the confirmed losses proceed from our credit card business.

Finally, I would like to attempt to convey the feeling I have at the bank at present. The feeling is that our entire operation is seething with activity. Confidence in the bank is at a high level, now that for the first time in many years we are in an excellent position to take the next steps. Our strong balance sheet, a stable rating, successful dealers and vehicle manufacturers, and – not least – our skilled employees, will give Volvofinans Bank the opportunity to make a difference to our customers.

Conny Bergström
President
Volvofinans Bank AB

The information contained in this report is that which Volvofinans Bank AB (publ), corporate ID no. 556069-0967, is obliged to publish in accordance with the Swedish Securities Market Act (SFS 2007:528). This report was submitted for publication at 4.15 p.m. on 15 November 2013.

FACTS ABOUT VOLVOFINANS BANK

BUSINESS MISSION

The primary task of Volvofinans Bank is to actively support sales of products marketed by Volvo and Renault dealers on the Swedish market by providing product and sales financing, while reporting favourable earnings.

MARKET ACTIVITIES

The aim of providing our customers with economical, convenient vehicle ownership is reflected in the products we offer:

- Loans for and leasing of new and used vehicles that are sold by Swedish Volvo dealerships.
- Loans and leasing for the truck market.
- Volvo Card – car ownership card for both companies and private individuals.
- Vehicle fleet administration and financing for large vehicle fleets.
- Volvo Truck Card – simplifying cost management for hauliers.
- Personnel car – a simple way of offering employees a company car solution.
- Savings account with attractive interest and free withdrawals.



FINANCIAL REPORTS

OWNERSHIP/OPERATIONS

Since its establishment in 1959, Volvofinans Bank has been 50% owned by Swedish Volvo dealerships via their holding company AB Volverkinvest. The Sixth Swedish National Pension Fund (AP-fonden) owns 40% and Volvo Car Corporation (Volvo Personvagnar AB) 10%.

The primary task of Volvofinans Bank is to actively support sales of products marketed by Volvo dealers on the Swedish market by providing product and sales financing, while reporting favourable earnings.

Volvofinans Bank AB is the parent company in a Group with a dormant subsidiary. Based on chapter 7, section 6a of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), as of 31 December 2010 Volvofinans does not prepare consolidated accounts as activities in the subsidiary are of negligible value.

VOLUMES/LENDING

Sales of new passenger cars in Sweden fell by 5% compared with the same period in the previous year. A total of 193,065 (203,711) passenger vehicles were registered. The number of Volvo, Renault and Ford registrations was 53,214 (54,857), and their combined market share was 28% (27).

44% (42) of all passenger car business, new and used, within the Swedish Volvo dealerships generates a financial contract with Volvofinans Bank. New and used vehicle penetration is 49% and 37% respectively. Volvofinans Bank finances the Swedish Volvo dealers' truck sales, apart from those that take place through the AB Volvo-owned Volvo Truck Centre. Penetration for new trucks was 43% (42).

The total contract portfolio (loan and leasing contracts) amounted to 193,759 contracts (196,254). The truck and bus element of the contract portfolio totalled 6,126 contracts (7,788), which is 3% of the total.

The number of corporate customers for whom Svensk Vagnparksfinans manages the car administration has increased. Administration with cost follow-up was being provided for 34,303 (32,637) cars at the end of the reporting period, an increase of 5%.

Goods and services purchased using the Volvo Card totalled SEK 8.1 billion and the number of accounts actively purchasing is half a million per month. Goods and services to a value of SEK 341 million were purchased using the 24,700 cards.

The lending volume was SEK 24.1 billion, compared with SEK 24.7 billion in the previous year, a reduction of SEK 0.6 billion or 2%. The truck and bus share of lending was SEK 2.2 billion (3.1), which corresponds to 9% of total lending.

Volvofinans Bank's operating segments are the passenger car market and the truck market. The passenger car market segment includes financing for passenger cars through loans and leases, vehicle administration and the Volvo Card.

The truck market segment includes financing for trucks and buses as well as the Volvo Truck Card. The operating income, operating profit, number of contracts and lending volume for Volvofinans Bank's lines of business are presented below.

Operating income is defined as the net of interest income, interest expenses, leasing net, dividends received, net result of financial transactions, commission income and commission expenses.

Expenses are defined as general administration expenses and other operating expenses. Volvofinans Bank is of the opinion that it is not relevant to divide up its liabilities among the various segments. Borrowing is determined by the total requirement and cannot be attributed to a specific segment.

Jan-Sep 2013	Cars	Trucks	Total
Number of contracts (average)	220,030	6,256	228,286
Lending volume, SEK million (average)	21,452	2,441	23,893
Operating revenue, SEK thousand	415,671	21,716	437,387
Expenses, SEK thousand	- 195,572	- 10,305	- 205,878
Credit losses, net, SEK thousand	- 16,729	- 259	- 16,988
Operating profit, SEK thousand	203,370	11,150	214,521

Jan-Sep 2013	Loans	Leases	Total
Number of contracts	110,052	83,707	193,759
Average contract, SEK thousand	99	168	129
Collateral value, SEK million	10,901	14,098	24,999
Drawn credit, SEK million	10,175	12,055	22,230
Collateral value, %	93	86	89
Market value, SEK million	13,834	12,056	25,890
Surplus, SEK million	3,659	1	3,660
Surplus, %	36	0	16

RESULTS

Volvofinans Bank's profit before credit loss expenses is SEK 231.5 million (206.0). The profit has been positively affected by higher lending margins, lower interest expenses and a lower cost for "Net result of financial transactions", and profit for the period increased by 13% to SEK 214.5 million (190.0).

CREDIT RISKS AND CREDIT LOSSES

The credit risk for Volvofinans Bank is very low as, under the agreements in place, by far the predominant part of both the credit and residual value risk is borne by each Volvo dealer. Problem credits are defined as all defaulted receivables, i.e. those more than 90 days overdue or given default for other reasons. Volvofinans Bank's problem credits for credit card receivables total SEK 14.1 million (99.2) and for loan and lease lending SEK 160.6 million (220.5).

With regard to commitments relating to loan and leasing lending, in addition to the collateral in the financed items, there are recourse agreements in place meaning that the dealers bear the credit risk of SEK 147.3 million on the balance sheet date. There are no credits with interest concessions, and no property has been received to provide security for receivables. Confirmed customer losses refer to credit card transactions. Anticipated credit loss impairment for the retail segment has been calculated using statistical risk models, while anticipated credit loss impairment for the corporate segment has been calculated individually by means of a manual review.

	Amounts in SEK thousand		
	2013 Jan-Sep	2012 Jan-Sep	2012 Jan-Dec
Credit losses, net			
Individually valued receivables			
Write-off of confirmed credit losses for the period	- 13,067	- 17,743	- 62,729
Reversal/impairment for the period	- 7,501	- 250	- 2,890
Received from previous years' confirmed credit losses	947	69	80
Reversal of previously recognised impairment loss	1,569	2,290	29,419
Net cost for individually valued receivables for the period	- 18,052	- 15,634	- 36,120
Group valued receivables			
Reversal/impairment for the period	1,064	- 391	1,035
Credit losses, net	- 16,988	- 16,025	- 35,085

CAPITAL PROCUREMENT

The interest in Volvofinans Bank's savings account has been maintained and, during the third quarter, fully provided the bank with new financing. New bonds, with terms of three to five years, have been issued in conjunction with the repurchase of own bonds with a short remaining term.

At the end of the quarter, outstanding financing via Volvofinans Bank's market loans programme amounted to a nominal SEK 8.4 billion, compared with SEK 9.4 billion in the previous year. In addition to market borrowing, operations were financed through bank loans, in the amount of SEK 1.6 billion (2.3). The proportion of long-term financing, with a remaining term of more than one year, was 68% (72).

As at 30 September, public deposits totalled SEK 13.4 billion (11.5). The volume increased by SEK 0.7 billion during the quarter to account for 57% (49) of the bank's financing.

FINANCIAL RISKS

The bank's operations are continually exposed to a number of financial risks.

Liquidity risk is the risk that Volvofinans Bank's payment obligations cannot be met on maturity without significant costs in terms of the means of payment or – in a worst-case scenario – cannot be met by any means.

To deal with liquidity instability, Volvofinans Bank has not only a liquidity reserve, with high-quality liquid securities and unrestricted deposits in another bank, as well as agreed credit facilities that can be utilised at short notice.

Deposits with a remaining period of less than one year together with a proportion of borrowing must be covered at all times by the liquidity reserve and undrawn credit facilities.

At 30 September, the liquidity reserve amounted to SEK 4.3 billion (3.4), of which deposits in other banks amounted to SEK 2.4 billion (55%) and the securities component SEK 2.0 billion (45%).

Volvofinans Bank's liquidity reserve must be no less than 5% of lending at all times. At the end of the first quarter this proportion was 18% (14). In addition to the liquidity reserve, unutilised available loan facilities totalled SEK 4.4 billion (6.2).

Volvofinans Bank's liquidity coverage ratio, as stipulated by the Swedish Financial Supervisory Authority, was 271% at 30 September.

Interest rate risk is the current and future risk that net interest income declines as a result of unfavourable changes in the interest rate. The vast majority of Volvofinans Bank's lending and all borrowing follow the short-term market interest rate, which involves a limited interest rate risk.

Currency risk is the risk of unfavourable changes in exchange rates. All of Volvofinans Bank's lending is in Swedish kronor and any borrowing in foreign currency is hedged, which means the bank is not exposed to fluctuations in exchange rates.

RATING

Volvofinans Bank has international credit ratings from Moody's Investors Service as follows:

- Short-term financing: P-2
- Long-term financing: Baa2

You will find a detailed analysis from Moody's on our website, volvofinans.se.

CAPITAL ADEQUACY

Capital adequacy means that capital requirements are connected to the total risk profile of the institute, which in the case of Volvofinans Bank entails a lower minimum capital requirement. Volvofinans Bank calculates the capital requirement for credit risk using the standardised method, which means that all exposures are allocated to one of fifteen exposure categories with a different risk weighting for each category. Since June 2011, the retail portfolio's credit risk has been calculated in accordance with IRB. The capital requirement for operational risk is calculated using the base indicator method, which means that the capital requirement is 15% of the average operating income for the last three financial years.

EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred since the balance sheet date.

INTERIM REPORT

The interim report provides a true and fair picture of the bank's operations, position and performance, and describes material risks and uncertainties relating to the bank.

Gothenburg, November 2013

Conny Bergström
President

CALENDAR

21 February 2014 Year-end Report 2013

The reports will be available for viewing on our website:
volvofinans.se

If you have any questions, please contact our President,
Conny Bergström, on +46 (0)31 83 88 00.

This report has not been the subject of special examination by the
company's auditors.

In the event of conflict in interpretation or differences between this
interim report the Swedish version, the latter will prevail.

KPI

	30/09/2013	30/09/2012	31/12/2012
Return on equity, %	7.04	6.21	5.68
Risk capital/Balance sheet total, %	14.19	13.56	13.71
Operating profit/Risk-weighted assets, %	1.80	1.49	1.43
Capital adequacy ratio – with transitional rules	2.39	2.09	2.31
Capital adequacy level, % – with transitional rules	19.15	16.72	18.50
Core capital ratio, % – with transitional rules	19.15	16.72	18.50
Credit losses/lending, %	0.09	0.08	0.13
E/l ratio	0.51	0.55	0.59
E/l ratio, excl. credit losses	0.47	0.52	0.53

STATEMENT OF COMPREHENSIVE INCOME

	Amounts in SEK thousand					
	2013 Q3	2013 Q2	2012 Q3	2013 Jan-Sep	2012 Jan-Sep	2012 Jan-Dec
Interest income	147,943	146,750	188,624	444,298	587,813	755,122
Lease income	883,093	865,871	829,623	2,597,698	2,433,402	3,269,077
Interest expense	- 158,481	- 162,735	- 211,588	- 488,750	- 667,399	- 854,131
Dividends received	713	611	649	1,894	2,020	2,755
Commission income	83,483	82,988	79,883	245,657	241,152	321,414
Commission expenses	- 6,699	- 5,014	- 5,196	- 15,607	- 14,768	- 18,933
Net result of financial transactions*	- 3,942	266	- 2,167	- 9,612	- 17,264	- 20,499
Total operating income	946,110	928,738	879,829	2,775,578	2,564,956	3,454,807
General administration expenses	- 60,496	- 66,410	- 63,145	- 193,211	- 189,620	- 259,969
Depreciation of property, plant and equipment and amortisation of intangible non-current assets	- 791,335	- 775,376	- 734,483	- 2,326,711	- 2,145,316	- 2,892,077
Other operating expenses	- 7,340	- 7,914	- 4,574	- 24,147	- 24,014	- 33,519
Total operating expenses	- 859,172	- 849,700	- 802,202	- 2,544,069	- 2,358,950	- 3,185,565
Income before credit losses	86,938	79,038	77,627	231,509	206,006	269,242
Credit losses, net	- 4,297	- 5,828	- 2,820	- 16,988	- 16,025	- 35,085
Income before appropriations and taxes	82,641	73,210	74,807	214,521	189,981	234,157
Appropriations	-	-	-	-	-	- 233,370
Tax, standard	- 18,181	- 16,106	- 19,674	- 47,195	- 49,965	- 787
Income	64,460	57,104	55,133	167,326	140,016	-
*Net result of financial transactions						
Interest-bearing securities and related derivatives	- 3,942	266	- 2,167	- 9,612	- 17,264	- 20,499
Total	- 3,942	266	- 2,167	- 9,612	- 17,264	- 20,499

BALANCE SHEET

	Amounts in SEK thousand		
	30/09/2013	30/09/2012	31/12/2012
Chargeable treasury bills, etc.	1,051,375	737,543	1,024,689
Lending to credit institutions	2,358,722	2,005,875	1,775,581
Lending to the public	12,257,427	13,794,937	13,087,254
Bonds and other interest-bearing securities	906,517	636,819	635,347
Shares and participations in associated and other companies	9,426	6,672	9,426
Shares and participations in Group companies	6,740	6,740	6,740
Intangible non-current assets	16,275	23,780	22,586
Property, plant and equipment, inventory	1,428	801	1,163
Property, plant and equipment, lease items	11,824,182	10,894,404	11,190,510
Other assets*	709,500	789,575	795,132
Prepaid expenses and deferred income	52,247	75,029	95,204
Total assets	29,193,839	28,972,175	28,643,632
Liabilities to credit institutions	1,550,000	2,300,000	2,300,000
Deposits and borrowing from the public	13,364,808	11,486,350	11,787,581
Securities issued	8,474,364	9,455,761	8,975,675
Other liabilities*	661,323	679,374	751,676
Accrued expenses and prepaid income	1,001,727	1,023,583	858,204
Total liabilities	25,052,222	24,945,069	24,673,136
Untaxed reserves	3,443,184	3,209,813	3,443,184
Equity	483,912	627,312	527,312
Operating profit	214,521	189,981	-
Total liabilities and equity	29,193,839	28,972,175	28,643,632
* Of which derivative instruments with positive and negative market value			
Derivative instruments with positive market value	93,413	146,936	169,073
Derivative instruments with negative market value	- 404	- 665	- 621

CHANGE IN EQUITY

	Amounts in SEK thousand			
	Share capital	Statutory reserve fund	Retained earnings	Equity
Opening equity, 1 January 2013	400,000	20,000	107,312	527,312
Profit for the period after tax	-	-	167,326	167,326
Total change before transactions with shareholders	-	-	167,326	167,326
Dividends	-	-	- 43,400	- 43,400
Closing equity, 30 September 2013	400,000	20,000	231,238	651,238
	Share capital	Statutory reserve fund	Retained earnings	Equity
Opening equity, 1 January 2012	400,000	20,000	250,012	670,012
Profit for the period after tax	-	-	140,016	140,016
Total change before transactions with shareholders	-	-	140,016	140,016
Dividends	-	-	- 42,700	- 42,700
Closing equity, 30 September 2012	400,000	20,000	347,328	767,328
	Share capital	Statutory reserve fund	Retained earnings	Equity
Opening equity, 1 January 2012	400,000	20,000	250,012	670,012
Net profit for the year	-	-	-	-
Total change before transactions with shareholders	-	-	-	-
Dividends	-	-	- 142,700	- 142,700
Closing equity, 31 December 2012	400,000	20,000	107,312	527,312

CASH FLOW STATEMENT

	Amounts in SEK thousand		
	2013	2012	2012
	Jan-Sep	Jan-Sep	Jan-Dec
Operating activities			
Operating profit	214,521	189,981	234,157
Adjustment of items not included in cash flow			
Unrealised portion of net result of financial transactions	- 9,365	- 17,264	- 20,499
Depreciation, amortisation and impairment	2,306,343	2,145,644	2,888,964
Credit losses	6,502	22,508	104,114
Taxes paid	-	-	- 787
Changes in operating assets and liabilities			
Chargeable treasury bills, etc.	- 26,686	- 637,856	- 925,003
Lending to credit institutions	- 583,141	500,063	730,357
Lending to the public	822,691	557,568	1,459,658
Bonds and other interest-bearing securities	- 271,169	368,228	369,700
Other assets	129,221	- 73,375	- 98,963
Liabilities to credit institutions	- 750,000	- 1,033,800	- 1,033,800
Borrowing from the public	1,577,227	4,651,863	4,676,939
Securities issued	- 501,311	- 4,132,173	- 4,612,259
Other liabilities	62,536	143,038	53,195
Cash flows from operating activities	2,977,368	2,684,425	3,825,773
Investing activities			
Acquisition of intangible non-current assets	- 2,189	- 6,430	- 8,251
Sale/redemption of shares and participations	-	2,822	67
Acquisition of property, plant and equipment	- 5,232,608	- 4,613,119	- 6,339,437
Sale of property, plant and equipment	2,300,829	1,975,002	2,664,547
Cash flows from investing activities	- 2,933,968	- 2,641,725	- 3,683,073
Financing activities			
Dividend paid	- 43,400	- 42,700	- 142,700
Cash flows from financing activities	- 43,400	- 42,700	- 142,700
Cash flow for the period			
Cash and cash equivalents at start of year	-	-	-
Cash flows from operating activities	2,977,368	2,684,425	3,825,773
Cash flows from investing activities	- 2,933,968	- 2,641,725	- 3,683,073
Cash flows from financing activities	- 43,400	- 42,700	- 142,700
Cash and cash equivalents at the end of the period	-	-	-

CAPITAL ADEQUACY

	Amounts in SEK thousand		
Capital base	30/09/2013	30/09/2012	31/12/2012
Core tier 1 capital			
Equity	483,912	627,312	483,912
Share of equity of untaxed reserves	2,685,683	2,365,632	2,685,683
Intangible non-current assets	- 16,275	- 23,780	- 22,586
IRB shortfall	- 117,228	- 97,905	- 124,797
Core tier 1 capital	3,036,092	2,871,259	3,022,212
Total capital base	3,036,092	2,871,259	3,022,212
Risk-weighted assets			
Credit Risk IRB (retail)	7,846,400	6,665,538	6,513,100
Credit risk according to standardised method	6,588,738	7,046,125	6,853,125
Operational risk according to the base indicator method	1,045,950	1,006,413	1,045,950
Total risk-weighted assets	15,481,088	14,718,075	14,412,175
Adjustment for floor rules during the introductory phase of Basel II	369,288	2,300,538	1,920,063
Total risk-weighted assets	15,850,375	17,018,613	16,332,238
Capital adequacy without transitional rules			
Risk-weighted assets	15,481,088	14,718,075	14,412,175
Capital requirement, credit risk IRB (retail)	627,712	533,243	521,048
Capital requirement, credit risk in accordance with the standardised method	527,099	563,690	548,250
Capital requirement, operational risk	83,676	80,513	83,676
Total minimum capital requirement without transitional rules	1,238,487	1,177,446	1,152,974
Capital adequacy ratio	2.45	2.44	2.62
Capital adequacy level, %	19.61	19.51	20.97
Core capital ratio, %	19.61	19.51	20.97
Capital adequacy with transitional rules			
Risk-weighted assets	15,850,375	17,018,613	16,332,238
Capital requirement, credit risk IRB (retail)	627,712	533,243	521,048
Capital requirement, credit risk in accordance with the standardised method	527,099	563,690	548,250
Capital requirement, operational risk	83,676	80,513	83,676
Capital requirement, adjustment for floor rules	29,543	184,043	153,605
Total minimum capital requirement with transitional rules	1,268,030	1,361,489	1,306,579
Capital adequacy ratio	2.39	2.11	2.31
Capital adequacy level, %	19.15	16.87	18.50
Core capital ratio, %	19.15	16.87	18.50
Capital adequacy in accordance with the Basel II standard			
Risk-weighted assets	21,644,663	22,803,038	22,365,250
Capital requirement, credit risk in accordance with the standardised method	1,647,897	1,743,730	1,705,544
Capital requirement, operational risk	83,676	80,513	83,676
Total minimum capital requirement in accordance with the Basel II standard	1,731,573	1,824,243	1,789,220
Capital adequacy ratio	1.75	1.57	1.69
Capital adequacy level, %	14.03	12.59	13.51
Core capital ratio, %	14.03	12.59	13.51

LEASE INCOME AND ACCUMULATED NET INTEREST

	Amounts in SEK thousand					
	2013 Q3	2013 Q2	2012 Q3	2013 Jan-Sep	2012 Jan-Sep	2012 Jan-Dec
Income from operating and finance leases	883,093	865,871	829,623	2,597,698	2,433,402	3,269,077
Scheduled depreciation and impairment	- 788,566	- 772,097	- 730,890	- 2,317,810	- 2,133,523	- 2,877,142
Interest income	147,943	146,750	188,624	444,298	587,813	755,122
Interest expense	- 158,481	- 162,735	- 211,588	- 488,750	- 667,399	- 854,131
Accumulated net interest	83,989	77,790	75,769	235,436	220,294	292,926

INFORMATION ABOUT DERIVATIVES THAT CAN BE OFFSET

Financial assets and liabilities that are subject to offsetting, which are covered by a legally binding framework agreement to offset, or by a similar agreement.

Amounts which are not to be offset in the balance sheet	Amounts in SEK thousand		
	Net amount of reported financial assets ¹⁾	Net amount of reported financial liabilities ¹⁾	Net amount / Asset (+), Liability (-)
Derivatives	93,412	- 404	93,009

¹⁾ No amounts have been reported as net in the balance sheet, there are no securities in the form of cash or financial instruments.

FAIR VALUE ASSETS AND LIABILITIES BY CATEGORY

Assets

Amounts in SEK thousand

	Loan and trade receivables	Financial assets at fair value through the statement of comprehensive income	Investments held to maturity	Derivatives used in hedge accounting	Other assets	Total	Fair value
30/09/2013							
Chargeable treasury bills and other bills	-	-	99,624	-	-	99,624	99,567
Other chargeable securities	-	951,751	-	-	-	951,751	951,751
Lending to credit institutions	2,358,722	-	-	-	-	2,358,722	2,358,722
Lending to the public	12,257,427	-	-	-	-	12,257,427	12,218,404
Bonds and other interest-bearing securities	-	781,074	125,442	-	-	906,516	906,517
Shares and participations in associated companies	-	-	-	-	9,427	9,427	-
Shares and participations in Group companies	-	-	-	-	6,740	6,740	-
Intangible non-current assets	-	-	-	-	16,275	16,275	-
Property, plant and equipment, inventory	-	-	-	-	1,428	1,428	-
Property, plant and equipment, lease items	-	-	-	-	11,824,181	11,824,181	-
Other assets	423,507	152	-	93,261	192,581	709,501	709,501
Prepaid expenses and deferred income	19,641	-	-	-	32,606	52,247	52,247
Total assets	15,059,297	1,732,977	225,066	93,261	12,083,238	29,193,839	
Liabilities							
		Financial liabilities at fair value through the statement of comprehensive income	Non-financial liabilities	Derivatives used in hedge accounting	Other financial liabilities	Total	Fair value
30/09/2013							
Liabilities to credit institutions		-	-	-	1,550,000	1,550,000	1,568,235
Deposits and borrowing from the public		-	-	-	13,264,808	13,264,808	13,264,808
Borrowing from the corporate sector		-	-	-	100,000	100,000	101,670
Securities issued		-	-	-	8,474,364	8,474,364	8,594,542
Other liabilities		134	294,637	270	366,283	661,324	661,324
Accrued expenses and prepaid income		-	727,334	-	274,393	1,001,727	1,001,727
Total liabilities		134	1,021,971	270	24,029,848	25,052,223	

ACCOUNTING POLICIES

Volvofinans Bank prepares its interim reports in accordance with legally limited IFRS, referring to standards that have been adopted for application with the limitations that arise from Recommendation RFR2 and FFFS 2008:25. The Company applies the same valuation and accounting policies as in the latest annual report. See note 33 of the 2012 annual report for a description of the methods used to calculate fair value.

IFRS 7 Financial instruments: Disclosures has meant additional disclosure requirements for the offsetting of financial assets and financial liabilities. These disclosure requirements apply to all reported financial instruments which are offset in accordance with section 42 of IAS 32, as well as reported instruments which are covered by a legally binding framework agreement to offset, or by a similar agreement, whether or not they are offset in accordance with section 42 of IAS 32.

IFRS 13, Fair value measurement, represents a new uniform standard for measuring fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The new standard has not meant any change to the way in which Volvofinans Bank calculates fair value, nor does it mean that there are any new items which must be measured at fair value.

